

**OFFICE OF COMPREHENSIVE SERVICES  
FOR AT-RISK YOUTH AND FAMILIES  
RICHMOND, VIRGINIA**

**REPORT ON AUDIT  
FOR THE YEAR ENDED  
JUNE 30, 2001**



## **AUDIT SUMMARY**

We audited the Office of Comprehensive Services for At-Risk Youth and Families (the Office) for the year ended June 30, 2001. The Department of Education is the designated fiscal agent for the Office. Our audit found:

- proper recording and reporting of transactions, in all material respects, in the Commonwealth Accounting and Reporting System;
- no matters involving the internal control and its operation that we consider material weaknesses; and
- no instances of noncompliance that are required to be reported.

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October 31, 2001

The Honorable James S. Gilmore, III  
Governor of Virginia  
State Capitol  
Richmond, Virginia

The Honorable Vincent F. Callahan, Jr.  
Chairman, Joint Legislative Audit  
and Review Commission  
General Assembly Building  
Richmond, Virginia

### INDEPENDENT AUDITOR'S REPORT

We have audited the financial records and operations of the **Office of Comprehensive Services for At-Risk Youth and Families** for the year ended June 30, 2001. We conducted our audit in accordance with Government Auditing Standards, issued by the Comptroller General of the United States.

#### Audit Objective, Scope, and Methodology

Our audit's primary objectives were to evaluate the accuracy of recording financial transactions on the Commonwealth Accounting and Reporting System and in the Department's accounting records, review the adequacy of the Department's internal control, and test compliance with applicable laws and regulations.

Our audit procedures included inquiries of appropriate personnel, inspection of documents and records, and observation of the Department's operations. We also tested transactions and performed such other auditing procedures as we considered necessary to achieve our objectives. We reviewed the overall internal accounting controls, including controls for administering compliance with applicable laws and regulations. Our review encompassed controls over the following significant cycles, classes of transactions, and account balances:

Expenditures  
Revenues

We obtained an understanding of the relevant internal control components sufficient to plan the audit. We considered materiality and control risk in determining the nature and extent of our audit procedures. We performed audit tests to determine whether the Department's controls were adequate, had been placed in operation, and were being followed. Our audit also included tests of compliance with provisions of applicable laws and regulations.

The Department's management has responsibility for establishing and maintaining internal control and complying with applicable laws and regulations. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Our audit was more limited than would be necessary to provide assurance on internal control or to provide an opinion on overall compliance with laws and regulations. Because of inherent limitations in internal control, errors, irregularities, or noncompliance may nevertheless occur and not be detected. Also, projecting the evaluation of internal control to future periods is subject to the risk that the controls may become inadequate because of changes in conditions or that the effectiveness of the design and operation of controls may deteriorate.

#### Audit Conclusions

We found that the Department properly stated, in all material respects, the amounts recorded and reported in the Commonwealth Accounting and Reporting System and in the Department's accounting records. The Department records its financial transactions on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The financial information presented in this report came directly from the Commonwealth Accounting and Reporting System.

We noted no matters involving internal control and its operation that we consider to be material weaknesses. Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material to financial operations may occur and not be detected promptly by employees in the normal course of performing their duties.

The results of our tests of compliance with applicable laws and regulations disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Governor and General Assembly, management, and the citizens of the Commonwealth of Virginia and is a public record.

#### EXIT CONFERENCE

We discussed this report with management at an exit conference held on November 19, 2001.

AUDITOR OF PUBLIC ACCOUNTS

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aom:23

## AGENCY INFORMATION

### Background Information

The Office of Comprehensive Services (Office) administers the Comprehensive Services Act for At-Risk Youth and Families (CSA), which provides services and funding to address the needs of emotionally, and behaviorally disturbed youth and their families. The State Executive Council (Council) governs the Office and establishes interagency programmatic policy development, fiscal policies, identifies and establishes goals for comprehensive services, and advises the Governor on proposed policy changes. The Department of Education serves as the fiscal agent and has assigned two employees in the central office to process CSA disbursements. The Office has 12 employees that are actually employees of the Department of Social Services.

CSA uses three teams to manage collective efforts among state and local agencies.

### State and Local Advisory Team

The State and Local Advisory Team (SLAT) advises the Council on interagency programs, fiscal policies, and on the impacts of proposed policies, regulations, and guidelines. SLAT also advises the council regarding training and technical assistance to state agencies and localities.

The Council appoints SLAT members and team membership includes one representative from the following state agencies: Department of Health, Department of Juvenile Justice, Department of Social Services, Department of Mental Health, Mental Retardation and Substance Abuse Services, and the Department of Education. Members also include a parent representative, a person from a private organization for children or family services, a local Comprehensive Services Act coordinator, a juvenile domestic relations district court judge, and one member from each of the five different geographical areas of the Commonwealth who also serves on their community policy and management team.

### Community Policy and Management Team

The Community Policy and Management Team (CPMT) serves as the community's liaison to the Office. The CPMTs coordinate long-range, community wide planning which ensures the development of resources and services needed by children and families in its community. It is their duty to establish policies governing referrals and reviews of children and families to the Family Assessment and Planning Teams. Each CPMT establishes and appoints one or more Family Assessment and Planning Teams based on the needs of the community. CPMTs also authorize and monitor the use of funds by each Family Assessment and Planning Team.

The CPMT includes a representative from the following community agencies: Community Services Board, Juvenile Court Services Unit, Department of Health, Department of Social Services, and the local school division. The team also includes a parent representative and a private provider organization representative for children or family services, if such organizations are located within the locality.

### Family Assessment and Planning Team

The Family Assessment and Planning Team (FAPT) assesses the strengths and needs of troubled youth and families and develops an individual family service plan which provides appropriate services. The FAPT recommends expenditures to the Community Policy and Management Team.

Each FAPT includes a representative from the following community agencies: Community Services Board, Juvenile Court Services Unit, Department of Health, Department of Social Services, local school division, and a parent representative.

The Office served 14,659 children during fiscal year 2001.

#### Financial Information

The Office receives funding from the Commonwealth's General Fund and federal grants. In fiscal year 2001, the Office had total revenues of over \$119 million, of which 92 percent came from the Commonwealth's General Fund. Total revenue decreased approximately 10 percent from fiscal year 2000 because the Department of Medical Assistance Services included treatment foster care and residential services in their state plan, thus reducing the need for the Office to receive total funding for those services.

<b>Fiscal Year</b>	<b>General Funds</b>	<b>Federal Funds</b>	<b>Total Funds</b>
<b>1999</b>	\$110,669,145	\$9,199,587	\$119,868,732
<b>2000</b>	123,388,029	8,769,740	132,157,769
<b>2001</b>	110,463,957	9,418,998	119,882,955

Source: CARS 402C1 Report as of 6/30/01

The Office separates the state and federal expenses into three funds: state pool, state trust, and administrative. The Office allocates the funds based on Appropriation Act requirements. The following table summarizes the Office's expenses by fund over the last three years.

<b>Fiscal Year</b>	<b>State Pool Funds Expenses</b>	<b>State Trust Funds Expenses</b>	<b>Administrative Funds Expenses</b>	<b>Other Expenses**</b>	<b>Total</b>
<b>1999</b>	\$115,079,089	\$ 642,931	\$ 621,791	\$ 164,025	\$116,507,836
<b>2000</b>	125,661,788	1,096,331	1,376,834	87,638	128,222,591
<b>2001</b>	112,488,025	1,113,346	1,389,538	100,295	115,091,204

Source: CARS 402 C1 Report as of 6/30/01

\*\*Other expenses include CSA central office operation expenditures

#### State Pool Funds

The Office classifies the majority of its funds as pool funds. The Office uses state and federal funds to reimburse localities for costs of providing private residential or day special education, foster care, and foster care prevention services for eligible children and their families.

#### State Trust Funds

The Office classifies some of its funds as trust funds. The Office gives state and federal funds to localities for the costs associated with new programs and early intervention services for at-risk young children.

#### Administrative Funds

The Office classifies its remaining funds as administrative funds. These funds offset the additional cost localities incur in implementing the CSA. The localities may use these funds for administrative and coordinating expenses, or even direct services to eligible youth and families.